

**UNITED STATES DISTRICT COURT FOR THE  
SOUTHERN DISTRICT OF NEW YORK**

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**SECURITIES AND EXCHANGE  
COMMISSION,**

**Plaintiff,**

**v.**

**ONE OR MORE UNKNOWN PURCHASERS  
OF CALL OPTIONS FOR THE COMMON  
STOCK OF DRS TECHNOLOGIES, INC.  
AND AMERICAN POWER CONVERSION  
CORP.,**

**Defendant.**

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**Civil Action No. \_\_\_\_\_**

**DECLARATION OF ILANA Z. SULTAN**

I, Ilana Z. Sultan, pursuant to 28 U.S.C. § 1746, declare as follows:

1. I am an attorney in the Division of Enforcement of the United States Securities and Exchange Commission (the "SEC" or the "Commission"). I am currently a member in good standing of the District of Columbia Bar. As part of my daily activities, I investigate possible violations of the securities laws.
2. I submit this Declaration in support of Plaintiff Securities and Exchange Commission's Memorandum in Support of Application for an *Ex Parte* Temporary Restraining Order Freezing Assets and Granting Other Relief, and for an Order to Show Cause Why a Preliminary Injunction Should Not Be Issued.
3. On February 27, 2008, the SEC issued a formal order of investigation concerning suspicious trading in the securities of American Power Conversion Corp.

("APCC"), and it continues to investigate this matter. During the course of this investigation, I have been an attorney working on the matter. The facts set forth herein are based upon my personal knowledge or upon information contained in the files of the Commission.

4. On Monday, October 30, 2006, at approximately 1:00 a.m. EST, Schneider Electric SA ("Schneider") announced publicly that it would acquire all of the outstanding shares of APCC for \$31 per share, in a transaction valued at approximately \$6.1 billion. On October 30, the price of APCC stock opened at approximately \$30, and it traded in that range for the remainder of the day. Trading volume in APCC stock and options rose sharply that day, and the price of APCC stock closed at \$30.02, approximately 26% above its \$23.76 close on Friday, October 27.
5. Upon information and belief, prior to the announcement on October 30, 2006, information concerning APCC's interest in being acquired and the potential agreement with Schneider was confidential, nonpublic information.
6. Prior to its merger with Schneider, APCC was a Massachusetts corporation headquartered in West Kingston, Rhode Island. APCC engaged in the design, development, manufacturing, and marketing of power protection and management solutions for computer, communications, and electronic applications worldwide. APCC stock was registered with the Commission pursuant to Section 12(g) of the Exchange Act and traded on NASDAQ. In October 2006, APCC had a market capitalization of approximately \$4.5 billion. Options for APCC shares traded on

the Boston Stock Exchange, Chicago Board Options Exchange, the International Securities Exchange, NYSE Arca, and the Philadelphia Stock Exchange.

7. Schneider, headquartered in Rueil-Malmaison, France, is an international company that designs and manufactures products for electricity and automation management. Schneider's stock is traded on the Paris Stock Exchange.
8. On or about September 13, 2006, Schneider sent an "indication of interest" letter to the Chairman of APCC and to the CEO of APCC, expressing Schneider's interest in pursuing a strategic combination with APCC.
9. On or about September 19, 2006, the APCC Board of Directors reviewed the Schneider "indication of interest" letter.
10. On or about September 20, 2006, the Chairman of APCC called Schneider's President and CEO and stated that the APCC Board of Directors would be willing to have discussions with Schneider about a possible sale of APCC.
11. On September 21, 2006, shares of the common stock of APCC reached a high of \$21.72 per share and closed at \$21.30 per share. On that same day, Unknown Purchaser purchased 1,600 APCC call options with a December expiration and a strike price of \$22.50, and, therefore, on the date they were purchased, the APCC options were not in-the-money.
12. Unknown Purchaser's purchase constituted 87.33 percent of the trading volume on for APCC call options in that series on September 21, 2006. In addition, it constituted 26 percent of all the APCC options trading on that date.
13. On September 22, 2006, shares of the common stock of APCC reached a high of \$21.60 per share and closed at \$21.40 per share. On that same date, Unknown

Purchaser purchased 800 APCC call options with a December expiration and a strike price of \$22.50 and, therefore, on the date they were purchased, the APCC options were not in-the-money.

14. Unknown Purchaser's purchase of APCC call options on September 22, 2006, represented 58.78 percent of the trading volume on that date for options in that series. In addition, it constituted approximately nine percent of all the APCC options trading on that date.
15. On October 10, 2006, shares of the common stock of APCC reached a high of \$21.98 per share and closed at \$21.93 per share. On that same date, Unknown Purchaser purchased Unknown Purchaser purchased 350 APCC call options with a November expiration and a strike price of \$22.50 and, therefore, on the date they were purchased, the APCC options were not in-the-money.
16. Unknown Purchaser's purchase of APCC call options on October 10, 2006, represented 14.5 percent of the trading volume on that date for options in that series.
17. On October 20, 2006, shares of the common stock of APCC reached a high of \$22.90 per share and closed at \$22.26 per share. On that same date, Unknown Purchaser purchased 80 APCC call options with a December expiration and a strike price of \$25 and, therefore, on the date they were purchased, the APCC options were not in-the-money.
18. Unknown Purchaser's purchase of APCC call options on October 20, 2006, represented 60.15 percent of the trading volume on that date for options in that series.

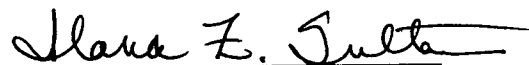
19. Thus, between September 21 and October 20, 2006, Unknown Purchaser purchased 2,830 APCC call options, none of which were in-the-money, at a cost of \$343,574. The trading may be summarized as follows:

UBSL Omnibus Account (No. 452-6020300) (Zurich, Switzerland) Trading in APCC Options										
Trade Date	B/S	Option Series	Exercise Price	Quantity	Option Premium		Cost	Sale Proceeds	Profit	Purchases as Percent of Series Volume
9/21/2006	B	Dec-06	\$22.50	1,600	1.246	*	\$200,520			87.33%
9/22/2006	B	Dec-06	\$22.50	800	1.25		\$100,360			58.78%
10/30/2006	S	Dec-06	\$22.50	2,400	7.27	*		\$1,739,516	\$1,438,636	
10/20/2006	B	Dec-06	\$25.00	80	0.5		\$4,036			60.15%
11/3/2006	S	Dec-06	\$25.00	80	5.2			\$41,563	\$37,527	
10/10/2006	B	Nov-06	\$22.50	350	1.1		\$38,658			14.50%
10/30/2006	S	Nov-06	\$22.50	175	7.3			\$127,667		
10/31/2006	S	Nov-06	\$22.50	175	7.6			\$132,917	\$221,927	
Totals							\$343,574	\$2,041,663	\$1,698,090	
* - denotes average price										

20. On October 30 and 31, 2006, following the merger announcement, Unknown Purchaser liquidated these holdings in APCC call options, generating profits of approximately \$1.7 million.

21. All of the Unknown Purchaser's trading of APCC call options took place through an omnibus account known as UBSL A/C Exchange Traded Derivative Account # 452-6020300 (formerly designated as Account # 450-6020300) ("UBS Omnibus Account"), and they cleared through UBS Securities LLC.

I declare under penalty of perjury that the foregoing is true and correct.

  
Ilana Z. Sultan

Executed on July 24, 2008  
Washington, D.C.